GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:2294
ANSWERED ON:30.07.2002
DISINVESTMENT OF BLCL
MAHBOOB ZAHEDI

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether SBI capital market has been appointed as the global adviser for disinvestment of the Government`s 61.85 per cent stake in the public sector Balmer Lawrie and Co. Ltd.;

(b) whether the Government holds its stake in the company through Balmer Lawrie Investment which was formed to facilitate the hiving off of Balmer Lawrie from IBP Ltd. when the latter was put on the disinvestment platter;

(c) if so, the details thereof;

(d) whether BLCL has four crore business besides it has another four outlet core business like tours and travels, Leather, Chemicals, container freight stations and tea exports; and

(e) if so, the reasons for disinvestment of BLCL?

Answer

MINISTER OF DISINVESTMENT AND MINISTER OF DEVELOPMENT OF NORTH-EASTERN REGION (SHRI ARUN SHOURIE)

(a) to (e): In order to demerge the investment of IBP Co.Ltd (IBP) in Balmer Lawrie & Company Ltd. (BLCL), Government formed a new Government Company by the name `Balmer Lawrie Investments Ltd. (BLIL)`. After the demerger of IBP`s investment in BLCL BLIL holds 61.8% of the equity of BLCL. Government holds about 59.67% of the equity of BLIL and thereby indirectly holds the contro of BLCL. Government has already decided that BLILwould sell its entire holding of 61.8% in BLCL through strategic sale.SBI Capital Markets Ltd. have been appointed as Advisors for the disinvestment transaction.BLCL is engaged in the manufacture of steel barrels, LPG Cylinders, high-performance greases and lubricating oils, leather chemicals and speciality containers; procurement, blending and packaging of tea for the export markets; ticketing, inbound/outbound tour handling and related services, logistics services, ownership and management of Container Freight Stations (CFS) and projects engineering & consultancy services. The present policy of the Government is to disinvest in the PSUs operating in the non-strategic sector. The non-strategic public sector undertakings are those which are not in the areas of arms and ammunitions and the allied items of defence equipments, etc., atomic energy (except in the areas relating to generation of nuclear power and applications of radiation and radio isotopes to agriculture, medicine and non-strategic industries) and railway transport. Government has decided to disinvest in BLCL as it operates in the non-strategic sector.